

~~CONFIDENTIAL~~

19 OCTOBER 1955

MIDDLE EAST DEVELOPMENTS

I.
25X1C

[redacted] indicates no significant changes in recently-established pattern of Soviet activity in Middle East. Additional details continue to make clear that the USSR is launching serious effort in area.

25X1C A. [REDACTED] indicate that final negotiations between Cairo and Prague are near completion on Bloc arms deal.

B. Egyptian payment for Bloc arms will be in commodities, not cash, and extended over three years at a nominal interest rate.

C. An initial shipment of small arms and machine-guns reportedly arrived in Alexandria on 27 Sep, but no other Bloc materiel has yet been delivered.

D. However, further shipments are believed en route, and 16 Soviet technicians arrived in Cairo on 29 Sep. 1. (See other cards for details on Czech deal).

II. Elsewhere in Middle East, Saudis, Syrians, Sudanese and even Yemenis are dickering with USSR for arms. These negotiations are either direct or through Egypt.

25X1C A. [REDACTED] Saudi foreign minister
Prince Faisal has agreed to establish diplomatic
relations with USSR. 15

DOCUMENT NO. 75
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS

Approved For Release 2000/02/27 : CIA-RDP79R00890A000600050001-5

CONFIDENTIAL

Approved For Release 2000/08/29 : CIA-RDP79R00890A000600050001-5

B. Yemen likewise is considering opening diplomatic relations with the USSR.

III. Meanwhile, meeting of the seven Arab foreign ministers in Cairo (9-14 Oct) accomplished little and provided no surprises, although atmosphere was evidently favorable to doing business with the Soviet bloc.

IV. Along the "northern tier," Iran's announced intention (12 Oct) to adhere to Baghdad pact (Turkey, Iraq, Pakistan, Britain) has brought loud public objections from USSR.

A. Soviets have again suggested that Iranian adherence would be violation of 1921 and 1927 Iranian-Soviet friendship treaties, have hinted darkly at consequences.

B. Although no evidence that USSR plans to threaten Iran with use of force, Soviet disfavor being made clear.

25X1C 1. [REDACTED] state that Soviet members of joint commission surveying disputed border areas have now "completely reversed" their attitude and are treating the Iranians with "coldest contempt."

2. On 19 Oct, Soviet troupe cancelled performances scheduled for Tehran.

C. However, Iranian Senate has already voted adherence to Baghdad pact and Majlis is expected to follow suit.

~~SECRET~~ **CONFIDENTIAL**

Approved For Release 2000/08/29 : CIA-RDP79R00890A000600050001-5

V. In present Middle East picture, instability of Syria poses particularly serious problem for West.

A. US Embassy Damascus, in 14 Oct assessment of situation, while finding no actually new factors, sees a continuing decline in stability and Western influence in Syria.

1. This is result of inability of pro-Western elements to work together in face of enthusiastic determination of neutralist and leftist elements.
2. Embassy opines that leftist influence may become strong enough to defeat even a determined effort to reorient Syria toward West.

B. Present political climate in Syria is favorable to Bloc offers of aid (which apparently have been made, and in which Egypt is reportedly interested in functioning as middleman).

1. According to "Alif Ba" (independent and reputable Damascus daily) Soviets and Czechs are interested in selling arms directly to Syria, rather than through Egypt.
2. Soviets reportedly asked why Syria, "an independent and courageous state," would fear to buy Bloc arms.
3. When Syrians replied that Ankara opposed such purchases as an aggressive act against Turkey, Soviet representative claimed that USSR was prepared to guarantee Syrian independence at any time.

~~SECRET~~ **CONFIDENTIAL** Approved For Release 2000/08/29 : CIA-RDP79R00890A000600050001-5

~~CONFIDENTIAL~~

Approved For Release 2000/08/29 : CIA RDP79R00890A000600050001-5

4. Whether or not this press report is true, statement is of type that tends to rouse Syrian nationalism and invites Syrians to explore further benefits of doing business with USSR.

C. A side reaction has appeared in neighboring Iraq, where Prime Minister Nuri professes to be particularly alarmed by prospects of growing Communist influence in Syria and has asked US and Britain for a "free hand" to deal with problem.

1. The Iraqis probably have some kind of Syrian-Iraqi

1. The Iraqis probably have some kind of Syrian-Iraqi union in mind, an old dream to which prime minister and crown prince are much attached.
2. Iraqis have promised to do nothing "precipitous," but have been given some encouragement by Britain.

VI. As expected, USSR has broadened its aid offers from arms to general economic development.

A. Soviet ambassador in Cairo announced on 10 October that USSR is ready to give all such aid Arab states may need.

B. [REDACTED] USSR has offered to help
25X1C Egypt finance its billion-dollar-plus "high dam" at
Aswan at an interest rate of 2 percent.

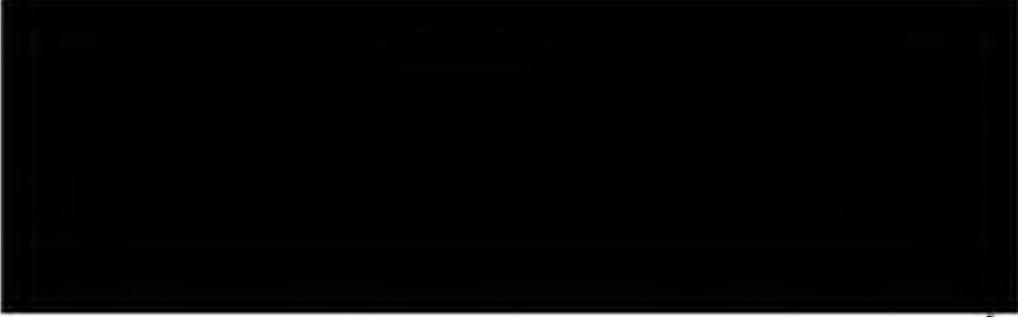
C. Czechs have asked for specifications on Lebanon's Litani river project, apparently with intent of entering the bidding.

~~SECRET~~ CONFIDENTIAL

Approved For Release 2000/08/29 : CIA-RDP79R00890A000600050001-5

1. In line with this, US Embassy Cairo notes that USSR might back such a plan, as an alternative to Jordan Valley scheme.

D.
25X1C



- E. Such actions indicate a long-range Soviet policy of penetration in Middle East, over and above shorter-range objective of undermining "Northern Tier" from the rear.

~~SECRET~~ CONFIDENTIAL

Approved For Release 2000/08/29 : CIA-RDP79R00890A000600050001-5